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19 May 1956

*covered by,
Item no. 1
of Schedule III
of Definitions
contract no. BC-200.*

Gentlemen:

It is proposed that spare parts be procured in the estimated amount of \$150,000 to support the overhaul program for one year as outlined in a companion proposal.

It is planned that, as groups of spare parts are recognized as overhaul items, a proposal will be submitted detailing the spare requirements with unit prices. A supplemental agreement will then be negotiated on the spares proposed.

By use of this method we believe that overprovisioning of spares will be held to a minimum, while at the same time the necessary flexibility of operation will be maintained.

Contract terms and conditions similar to those contained in our basic equipment contract are fully acceptable, although we suggest consideration be given to a fixed price form.

We trust that this proposal meets with your favorable consideration.

Very Truly Yours,

HYCON MFG. COMPANY

Vice President & Gen. Manager
Instrument Division

WCM/mb

Item 47